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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC

FILED/ACCEPTED
MAY 27 2009
Federal Communications Commission
Office of the Secretary

In the Matter of:	)	
	)	
TeleQuality Communications, Inc.	)	
	)	File No. 02-60
Request for Waiver of	)	
Section 54.611 of the	)	
Commission's Rules	)	

PETITION FOR WAIVER AND EMERGENCY REQUEST FOR EXPEDITED STAY AND/OR SPECIAL RELIEF

OF

TELEQUALITY COMMUNICATIONS, INC.

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Its Attorneys

May 27, 2009

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SUMMARY

TeleQuality Communications, Inc. ("TeleQuality") is a telecommunications carrier providing services to rural health care providers, which services qualify for support under the Rural Health Care Program of the Universal Service Fund ("USF") as administered by the Universal Service Administrative Company ("USAC"). Because TeleQuality recently outgrew so-called *de minimis* status under the USF rules, TeleQuality no longer is eligible for bi-monthly disbursements from USAC. Instead, pursuant to 47 C.F.R. § 54.611, TeleQuality (and its rural health care provider customers) must wait for several months and sometimes more than a year to receive disbursements from USAC. TeleQuality files this waiver request to return to the *status quo ante* for the purpose of USAC disbursements only. Absent such a waiver, TeleQuality will soon go out of business, leaving more than five dozen rural health care providers without essential telecommunications services.

TeleQuality's request serves the public interest and simply returns the company to the disbursement schedule that it (and its rural health care provider customers) relied upon prior to October 2008. A disbursement schedule of every other week (on average) is routinely within USAC's capacity and would not impair USAC or the USF in any way. In essence, TeleQuality asks only for a change back to the status quo in the timing of disbursements it receives.

Because this request serves the public interest and has no adverse impact on any party, TeleQuality also asks that the Commission immediately stay the enforcement of 47 C.F.R. § 54.611 with respect to USAC's disbursements to TeleQuality. In addition, if a public comment period is deemed necessary for this petition, TeleQuality asks that the Commission shorten any such comment period to 14 days.

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PETITION FOR WAIVER
AND EMERGENCY REQUEST FOR EXPEDITED STAY AND/OR SPECIAL RELIEF

TeleQuality Communications, Inc. ("TeleQuality"), by its attorneys, and pursuant to Section 1.3 of the Commission's rules, hereby requests a waiver of Section 54.611 of the Commission's rules (47 C.F.R. § 54.611).[1] The grounds for this waiver request are set forth below. In addition, TeleQuality urgently requests that the Commission immediately stay the enforcement of Section 54.611 by the Universal Service Administrative Company ("USAC") as it pertains to Telequality's non-*de minimis* status because strict enforcement of this rule—from which the Commission has granted waivers to carriers in similar situations—gravely threatens the immediate viability of TeleQuality and would imperil uninterrupted service to the rural health care providers ("HCPs") served by TeleQuality, as well as the operations and the patients of those rural HCPs.

TeleQuality also respectfully requests that the Commission waive any public comment period that otherwise might be associated with its petition or, in the alternative, shorten such public comment period to fourteen (14) days.

[1] Although TeleQuality does not believe it necessary, to the extent the Commission believes that the grants of relief sought herein imply waiver of 47 C.F.R. § 54.708, TeleQuality respectfully includes this section in its requests for relief for the reasons enumerated herein.

FACTUAL BACKGROUND

TeleQuality is a telecommunications carrier that was founded in 2006 to provide telecommunications services exclusively to rural HCPs. Currently TeleQuality serves more than 60 rural customers in 23 states. Often, the telecommunications services needed by HCPs are prohibitively expensive absent the funding provided by the Rural Health Care Division ("RHCD") of USAC. In addition, given the relatively large amounts of money involved, delays in funding for already installed services can be financially devastating to an HCP.

Prior to October 2008 TeleQuality was considered a *de minimis* carrier under 47 C.F.R. § 54.708. Consequently, TeleQuality was not subject to the "netting" procedure described in Section 54.611(d), nor was TeleQuality subject to extensive delay in reimbursement from USAC, which delay can amount to more than one year from the time that support is approved by USAC. USAC has separate procedures for reimbursement to qualified *de minimis* carriers. These procedures afforded TeleQuality the opportunity to receive disbursements from USAC approximately every other week.

TeleQuality now has grown to the point where it is no longer a *de minimis* carrier. TeleQuality's 2008 total revenues (comprising predominantly intrastate revenues from intrastate services) were $2.046 million, and—after becoming non-*de minimis* in the fourth quarter of 2008—its total 2008 federal Universal Service Fund ("USF") direct contributions (assessed against qualifying interstate telecommunications services) were $3,014. Telequality received $700,000 in Rural Health Care Program ("RHCP") disbursements from USAC in 2008, the payments for which were issued every other week, on average. So far in 2009, TeleQuality has contributed approximately $1,000 per month to the federal USF and, coincident with its growth in USF contributions, TeleQuality will invoice USAC several hundred thousand dollars in the next few months as the USAC process approves the eligibility for funding by HCPs for the 2008 funding year. TeleQuality fully expects that USAC will approve all its 2009 invoices (for Funding Year 2008 funding), but TeleQuality cannot continue operations if it must wait several months, or even a year or more, for USAC disbursements. Indeed, in the real world no small or mid-sized business can wait over a year for such disbursements. TeleQuality is a reseller of qualifying support services, and TeleQuality's underlying carriers expect and demand timely payment for their wholesale services. TeleQuality simply cannot subsidize USAC by paying its own underlying carriers monthly, while only receiving USAC disbursements annually (or longer).

Just as important is the effect on TeleQuality's HCP customers. The application of the current funding process already places significant financial hardship on HCPs due to the extensive time between filing of funding request documents (collectively referred to by USAC as a "packet") and approval of them. The HCPs are (with few exceptions) paying the full price for the very circuits they can ill afford while waiting for as long as 7 to 9 months while USAC works through its annual approval process. (After all, the very reason these public and/or nonprofit HCPs seek federal support is to receive discounts from relatively higher non-urban rates.) Adding up to a year or more to this initial process for the "netting" of TeleQuality's USF contributions and reimbursements exacerbates the HCPs' already difficult position. Most HCPs expect an immediate cash reimbursement upon approval of services. Without the *de minimis* carrier reimbursement procedure, TeleQuality cannot provide the HCPs immediate payments. Instead the HCP must settle for a credit to its account. The original delay described above in and of itself creates a significant hardship to rural HCP participants, and indeed may to some extent explain the disappointing participation rate in the RHC program to date. Add to this the additional delay in reimbursement created by TeleQuality's non *de minimis* status and the effects on HCPs can only get worse.

Once TeleQuality understood the implications of its new, non *de minimis* status, the company immediately contacted USAC to ask how TeleQuality should approach the issue. TeleQuality was instructed to provide, in writing, a request for changing TeleQuality's frequency of disbursement. That letter was sent on March 24, 2009 and is attached as Attachment 1. Subsequent to sending this letter, TeleQuality (via a conversation between Tim Koxlien, CEO of TeleQuality and Bill England, Vice President, RHC, USAC at the ATA conference in Las Vegas on April 27, 2009) learned that USAC's General Counsel was considering the matter and would render a decision within a matter of 2 to 3 weeks (*i.e.*, by no later than May 21, 2009). On May 22, 2009, TeleQuality's attorney was informed by USAC counsel that any consideration of a waiver of the disbursement procedure was within the jurisdiction of the FCC and not USAC, and thus USAC could not act on TeleQuality's request.

In light of the urgency of this matter, TeleQuality files the instant request for relief on the second business day after receiving USAC's advice that it may only obtain such relief through a petition to the Commission.

STANDARDS OF LAW

The Commission may waive any provision of its rules on its own motion and for good cause shown.[2] A rule may be waived where the particular facts make rigid compliance

[2] 47 C.F.R. § 1.3.

inconsistent with the public interest.[3] In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.[4] In sum, waiver is appropriate if special circumstances warrant deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.[5]

The Commission, employing a traditional four-part test, will issue a stay if the petitioner demonstrates (1) it is likely to prevail on the merits in subsequent proceedings; (2) it will suffer irreparable injury absent a stay; (3) the stay would not harm other interested parties; and (4) the stay would serve the public interest.[6] No single factor is dispositive, and each case requires its own balancing of the factors in the test, which apply somewhat flexibly. For example, in cases where the second, third, and fourth factors strongly favor a stay, a grant is appropriate even if there is less likelihood of success on the merits, if a substantial case on the merits is presented.[7] Similarly, a compelling case showing that the public interest will be harmed lessens the degree of certainty with which a stay movant must show it will prevail on the merits.[8] But in any event, recent Commission waivers in nearly identical circumstances show that TeleQuality will prevail on the merits.

[3] *Northeast Cellular Telephone Co. v. FCC*, 897 F. 2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).
[4] *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C.Cir. 1969), *aff'd*, 459 F.2d 1203 (D.C. Cir. 1972).
[5] *Northeast Cellular*, 897 F.2d at 1166.
[6] *See, e.g., Replacement of Part 90 by Part 88 to Revise the Private Land Mobile Radio Services and Modify the Policies Governing Them*, 15 FCC Rcd. 7051, 7054 (1999) (citing *Biennial Regulatory Review*, 14 FCC Rcd. 9305, 9307 (1999) (citing Virginia Petroleum Jobbers Ass'n v. FPC, 259 F.2d 921, 925 (D.C. Cir. 1958))). *See also Washington Metro. Area Transit Comm'n v. Holiday Tours*, 559 F.2d 841, 842-43 (D.C. Cir. 1977) (*Holiday Tours*); *Prometheus Radio Project v. FCC*, 2003 WL 22052896 (3d Cir. Sept. 3, 2003) (*per curiam*).

[7] *Holiday Tours*, 559 F.2d at 843.
[8] *See AT&T Corp.*, 13 FCC Rcd 14508 (1998).

DISCUSSION

A. TeleQuality Merits Waiver of Sections 54.611

1. The Commission Has Waived Section 54.611 in Similar Circumstances

The Commission has twice in the past three years recognized the inherent inequities in 47 C.F.R. § 54.611 for service providers like Telequality. Most recently, in 2007, when it selected participants for the universal service Rural Health Care Pilot Program ("RHCPP"), the Commission waived Section 54.611 for all carriers that qualified to participate in the program. The Commission's analysis then remains just as true and powerful now:

> Because section 54.611 requires USAC to reimburse carriers the first quarter of the calendar year following the year in which costs were incurred, providers receiving support under the Pilot Program could be owed millions of dollars by the time they are reimbursed in full. Such a delay in reimbursement could jeopardize the timely deployment of selected participants' broadband networks, which would be contrary to the goals of the Pilot Program to stimulate deployment of broadband infrastructure necessary to support telemedicine services to those areas of the country where the needs for those benefits is most acute. Additionally, section 54.611 could produce an inequitable result by depriving providers of the funding flow needed to continue to perform their service contracts with selected participants because, among other things, service providers may potentially be unable to meet their payment obligations to vendors without finding other means of financial support. Waiving section 54.611 also serves the public interest because it promotes the goals of section 254 of the 1996 Act to enhance access to advanced telecommunications and information services for health care providers.[9]

This is precisely the situation TeleQuality faces. Absent timely reimbursement--specifically, every other week on average—from USAC, TeleQuality will have to advance hundreds of thousands of dollars (and perhaps more) out of its own funds (which simply do not exist) for a year or more before the company receives its disbursements. This is manifestly an

[9] *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 22 FCC Rcd 20360,

untenable situation for any provider, save perhaps a huge monopoly incumbent with limitless cash and an absence of cash flow constraints. Further, a delay in reimbursement will jeopardize continued service to TeleQuality's HCP customers, which would be utterly inimical to the goals of the Commission's RHC Program.[10] Continued strict enforcement of Section 54.611 in this circumstance will produce an inequitable result and indeed a crushing blow by depriving TeleQuality of the funding flow needed to perform its service contracts with HCPs because, among other things, TeleQuality will be unable to meet its payment obligations to its underlying carriers without finding other means of financial support (which other means simply do not exist). Waiving Section 54.611 for TeleQuality also serves the public interest because it promotes the goals of section 254 of the 1996 Act to enhance access to advanced telecommunications and information services for health care providers.[11]

The Commission has also waived the rule for a specific carrier whose circumstances are very similar to TeleQuality. In 2006 the Commission waived Section 54.611 for Unicom, Inc. ("Unicom"), a carrier that serves rural Alaska.[12] Like TeleQuality, Unicom performs contracts for broadband telecommunications services supporting dozens of rural clinics.[13] Like TeleQuality, Unicom received notice from USAC that it would not immediately issue disbursements to Unicom "because it is USAC's practice, pursuant to section 54.611 of [the Commission's] rules, to refund any credit balances due a service provider after calculating their

20419 (2007) (*2007 RHC Pilot Program Selection Order*).

[10] *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 21 FCC Rcd 11111 (2006).

[11] 47 U.S.C. § 254(h)(2)(A).

[12] *Unicom Inc. Request for Waiver of Section 54.611 of the Commission's Rules*, CC Docket No. 02-60, Order, 21 FCC Rcd 11241, 11244, para. 10 (Wireline Comp. Bur. 2006) (*Unicom*).

[13] *Id.* at ¶ 4.

universal service obligation 'on an annual basis.'"[14] According to USAC, that calculation could not be completed until mid-September of each year, and USAC issues refunds no earlier than November of each year.[15] Unicom sought a waiver of Section 54.611 "to allow USAC to begin making reimbursement payments immediately to Unicom on a monthly basis for the net payments to which it is entitled under the rural health universal support mechanism."[16] Just as with Unicom, USAC's implementation of Section 54.611 as applied to TeleQuality is "unnecessarily rigid and harmful and creates a financial burden,"[17] particularly, in this instance, where there is great disparity between TeleQuality's contribution obligations to USF and the reimbursement amounts owed to TeleQuality.

Next, it bears reminding that the relief TeleQuality seeks is merely a return to the disbursement schedule *status quo* before the company was deemed a non-*de minimis* USF contributor. Prior to October 2008 TeleQuality received USAC disbursements, on average, every other week. Those regular payments allowed TeleQuality to keep current with its underlying carrier vendors, and to reimburse HCPs on a timely basis. Clearly, too, USAC was fully able to issue the disbursements in such a fashion and without hesitation (just as USAC continues to do for *de minimis* carriers pursuant to its current policy). Thus, a waiver of Section 54.611 will not burden USAC, and will instead allow a resumption of the regular, more logical reimbursement scheme that TeleQuality experienced until late last year.

Finally, TeleQuality has exhausted all available remedies before USAC. As evidenced by Attachment 1, TeleQuality approached USAC for the relief sought herein. TeleQuality has now

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[14] *Id.* at ¶ 5.
[15] *Id.*
[16] *Id.* at ¶ 6.
[17] *Id.*

been advised that only the Commission can grant the relief sought herein. Importantly, USAC did not deny TeleQuality's request on the merits (on the contrary, USAC appeared sympathetic to TeleQuality's request), but rather has deferred to the Commission. For all these reasons, the Commission must waive Section 54.611 for TeleQuality.

Under USAC's procedures pursuant to Section 54.611, TeleQuality must wait until at least November 2009 (and perhaps until well into 2010) for net payments to which TeleQuality is entitled. Quite simply, TeleQuality cannot survive as a carrier in such an onerous and illogical environment. No company can be expected to wait six months, a year, or more for net rural health care disbursements from USAC simply because it is not a *de minimis* USF contributor. TeleQuality will pay approximately $20,000 into the USF in 2009 (based on a projection of the qualifying interstate telecommunications services TeleQuality provides). TeleQuality will bill rural HCPs hundreds of thousands of dollars in 2009. USAC's accounting practice as applied to TeleQuality gravely threatens TeleQuality's very existence, and is detrimental to the very public interest—expanded health care in rural communities—that the RHCP is designed to meet. Indeed, failure to grant a waiver in such a circumstance would be tantamount to ceding participation in the RHC program to a handful of incumbents, for only they will have the resources to absorb the massive debits that will be incurred until USAC gets around to issuing reimbursements.

TeleQuality must be very clear regarding the relief it seeks here: TeleQuality cannot survive under a calendar quarter payment regime. TeleQuality's financial obligations are too big for it to advance hundreds of thousands of dollars per quarter. TeleQuality seeks to return to the bi-monthly (*i.e.*, every other week, on average) disbursement schedule that it received prior to

October 2008. TeleQuality recognizes that the Commission did not face this request in the Unicom case, but the circumstances here are such that TeleQuality must seek this type of relief, and on an expedited basis.

2. Telequality Will Go Out of Business Absent a Waiver of Section 54.611

The financial facts of this matter are sobering, compelling and unavoidable; and indeed they are elementary. TeleQuality's "non-*de minimis*" USF contribution for 2009 is projected at approximately $20,000 (recalling that most of the services TeleQuality provides are intrastate). TeleQuality estimates that it will invoice USAC for approximately $750,000 for qualifying services during 2009 for Funding Year 2008. Thus, TeleQuality will be a net recipient of USF disbursements from USAC in the amount of approximately $730,000. TeleQuality is a $2.0-$2.5 million business overall, most of which revenue comes from intrastate services. The company simply cannot sustain a temporary loss (the combination of credits to HCPs and delayed USAC reimbursements of those credits) of approximately 30% of its overall cash flow for upwards of a year or more occasioned by its participation in a federal program. No small or midsized provider could long survive in such an environment, which demands that a participant carrier render the service and advance the rural HCPs' payments until the fund administrator catches up on disbursements. Such a scheme is unfair, irrational and directly threatens TeleQuality's viability as a going concern. The scheme also threatens the very stakeholders it is designed, ultimately, to benefit— rural HCPs and their patients.

There is no question, therefore, that good cause exists to grant this waiver. Absent the waiver, USAC's implementation of a rigid interpretation of Section 54.611 will punish the very constituency the RHCP is designed to serve. The public interest, defined by the needs of rural

HCPs and their patients, is inconsistent with enforcement of this rule in such a blind fashion. In addition, such application of the rule would work a fatal hardship on TeleQuality that is easily avoided when the Commission balances the interests at stake here.

B. TeleQuality Merits A Stay of Section 54.611

For all the same reasons enunciated above, TeleQuality respectfully but urgently requests an ***immediate*** stay of Section 54.611, such that TeleQuality will continue to be treated by USAC similarly to a *de minimis* carrier for only the purposes of bi-monthly disbursements, while the Commission considers the instant waiver request.

1. TeleQuality Is Likely to Prevail on the Merits of Its Waiver Request

As noted above, the Commission has twice granted waivers of Section 54.611 in recent, very similar circumstances to those facing Telequality. In establishing the RHCPP, the Commission waived Section 54.611 for all carriers, citing the inequities inherent in the rule. For Unicom, a carrier similarly situated to TeleQuality, the Commission waived Section 54.611 because application of the rule by USAC would have deprived Unicom "of the funding flow needed to continue to perform its services contract." An identical fact situation exists here. TeleQuality is more than likely to prevail on the merits of its waiver request because rigid adherence to Section 54.611 would be inequitable and indeed illogical, and would deprive TeleQuality of the funds necessary to continue operations.

2. TeleQuality Will Suffer Irreparable Injury Absent a Stay

Simply and bluntly stated, TeleQuality will cease operations by July 2009 absent a waiver of Section 54.611. Given the usual processing time for a waiver request, TeleQuality seeks a Stay to continue operation and to continue its participation in the RHCP on the very same terms as it has done for over two years. Absent a Stay, TeleQuality simply cannot afford to subsidize USAC or its rural HCP customers. TeleQuality has been working through normal USAC disbursement channels since February 2009 when the new "netting" reimbursement process became apparent and, as noted above, while USAC seemed poised to remedy TeleQuality's imminent injury, a Stay is now required pending formal waiver of Section 54.611 by the Commission.

3. A Stay Would Not Harm Other Parties

To the extent there are other interested parties in this situation, they would appear to be the rural HCPs, their customers, and USAC. As noted above, absent a waiver of Section 54.611, which cannot occur quickly enough under normal processing timelines to sustain TeleQuality's operations, TeleQuality will cease providing service to its rural HCP customers in July 2009. Obviously, therefore, TeleQuality's rural HCP partners would only be harmed if a Stay did *not* issue. Similarly, the rural HCPs' patients would be harmed absent a Stay. On the other hand, no party would be harmed in any way by issuance of a Stay. To reiterate: when TeleQuality was a *de minimis* carrier USAC processed payments bi-monthly without adverse effect to the USF or the RHCP. In fact no funding flow issues occurred while TeleQuality was considered a *de minimis* carrier. TeleQuality merely asks for continuation of such treatment now. USAC will pay out the same amount of money to support TeleQuality's services whether a Stay issues or not. Only the timing of those payments will change, and that timing change is a return to the *status quo ante*.

4. A Stay Would Serve the Public Interest

As the Commission has repeatedly ruled, the public interest at stake here is provision of telecommunications services to rural HCPs and their patients.[18] Granting a Stay here "is consistent with the goals of Section 254 of the Act – enhancing access to advanced telecommunications and information services for healthcare providers".[19] Absent a Stay, TeleQuality's rural HCP customers and their patients will be deprived of enhanced access to advanced telecommunications and information services and TeleQuality will cease operations. TeleQuality's request for Stay therefore serves the public interest.

CONCLUSION

Based on the foregoing, Telequality respectfully requests that the Commission grant this petition for waiver of 47 C.F.R. § 54.611 for the reasons described herein; immediately stay enforcement of Section 54.611 such that TeleQuality will not be considered a non-*de minimis* carrier for purposes of disbursements; direct USAC, to the extent necessary, to resume bi-monthly disbursements to TeleQuality; all such relief for such time as is needed for the Commission to process Telequality's waiver request and grant TeleQuality the ultimate relief it seeks herein.

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[18] *2007 RHC Pilot Program Selection Order* at ¶ 116, citing 47 U.S.C. § 254(h)(2)(A).
[19] *Unicom* at ¶ 10, citing 47 U.S.C. § 254(h)(2)(A).

Respectfully submitted,

TELEQUALITY COMMUNICATIONS, INC.

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Its Attorneys

May 27, 2009

TELEQUALITY

March 24, 2009

Ms. Sebat Abdella
USAC
Disbursements
2000 L Street NW, #200
Washington, DC 20036

Dear Ms. Abdella:

Thank you for taking time to talk with us this afternoon. I am responding to your request to provide USAC with a description of why we need to obtain leniency regarding the disbursement rule.

TeleQuality Communications, Inc. – TQCI is a very small telecommunications carrier. With our retail interface, we focus on providing service to rural healthcare providers whom qualify for the Universal Service Fund – Rural Healthcare Mechanism.

Until recently, TQCI has been designated as a *de minimus* carrier regarding our contribution requirements to the USF. Due to this *de minimus* status, USAC would make bi-monthly disbursements to TQCI for our qualified (funded) healthcare provider clients.

Because TQCI is no longer designated as *de minimus*, the USAC procedures call for the disbursements to be "netted" from our USF contributions. Any credits due to TQCI are paid according to an annual payment schedule at the end of the first quarter of the following year.

However TQCI has a significant problem that arises because of our *non-de minimus* status. According to USAC – RHC rules, the telecom service provider must provide a credit to the health care provider at the earliest point after receipt of a Support Schedule. In short, TQCI is required to make credit adjustments on the healthcare provider's invoice. Yet, TQCI will receive disbursements annually for that service.

This system works well for telecommunications carriers that are required to contribute a significant amount to the USF. Due to our small size, our USF contributions may only be approximately $1,500 monthly. However, our disbursements due to the healthcare providers can exceed $450,000 annually.

The implications of this are significant for both TQCI and the healthcare providers.

Without receiving disbursements from USAC as before (twice monthly), TQCI would have no funds to be able to operate.

Currently TQCI has over $60,000 that is due to be disbursed for services that were provided in late 2007 and early 2008. There are invoices with $400,000+ that will be sent to USAC within the coming 30 – 90 days.

Please know that this situation is urgent. We are very concerned in the short term with our ability to continue to provide service if USAC is unable to accommodate this request.

In summary, our request is to go back to the twice monthly disbursement process.

Please contact me if you have any further questions regarding this request.

Best regards,

Tim Koxlien

Tim Koxlien
CEO
TeleQuality Communications, Inc.
210-408-0388

DECLARATION

I, Jeffery E. Reynolds, do hereby declare under penalty of perjury that factual statements made in the attached Petition for Waiver are true and correct to the best of my knowledge, information and belief.

TeleQuality Communications Inc.

Signed: ____________________

Jeffery E. Reynolds
President
16601 Blanco Road, Ste 207
San Antonio, TX 78232

Sworn and subscribed before me this 26 day of May, 2009

Anita Muniz ____________________ ANITA MUNIZ - NOTARY
(signature of official administering oath) (Printed name and title)

My commission expires : Feb 25, 2013

ANITA MUNIZ
My Commission Expires
February 25, 2013
NOTARY PUBLIC STATE OF TEXAS